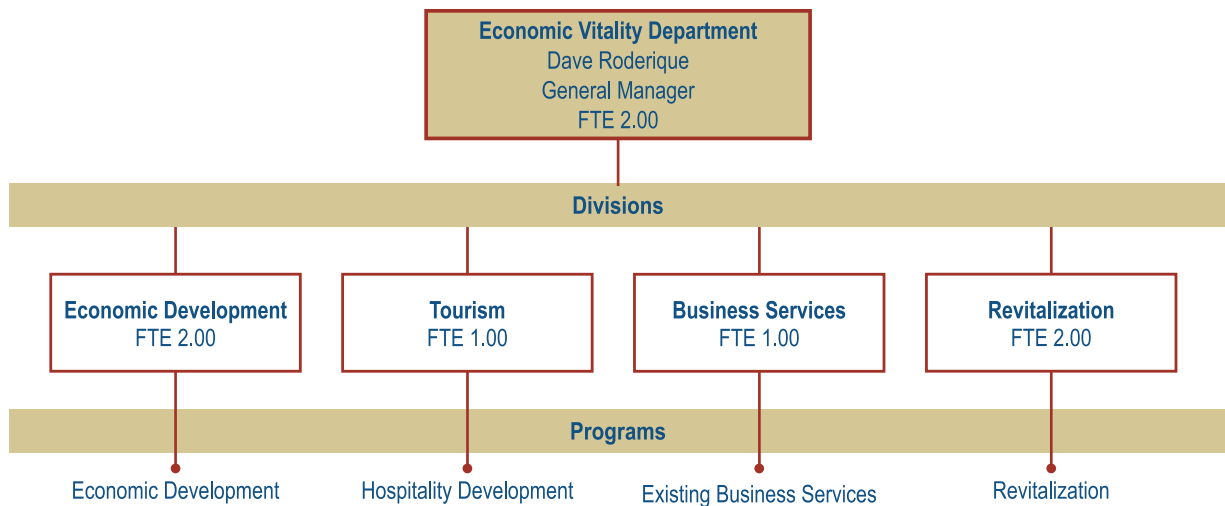


Economic Vitality Department

Mission

To position Scottsdale for sustainable, long-term economic vitality in order to enhance the quality of life for all residents.



Departmental Staffing

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Full-time Equivalent (FTE)	10.00	10.00	10.00	8.00
% of City's FTE's				0.4%

Departmental Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	\$668,384	\$644,384	\$723,318
Contractual Services	-	5,851,894	6,040,065	5,777,161
Commodities	-	10,441	10,441	13,515
Total Prog. Budget	-	\$6,530,719	\$6,694,890	\$6,513,994
% of City's Total Program Operating Budget				2.4%

ECONOMIC VITALITY ADMINISTRATION

Economic Vitality Department

Program Description

The Economic Vitality Administration program provides administrative services for the Economic Vitality Department.

Trends

Given the current conditions and budget situation, the Economic Vitality Department is trying to maintain full services with fewer resources (personnel and budget).

Program Broad Goals

Effective administration of the Economic Vitality Department.

Program 2003/04 Objectives

Continue to be efficient in use of monetary resources. Target is to come in under budget by at least 2% this year.

Continue to effectively manage department personnel to accomplish all goals of recently adopted Economic Vitality Strategic Plan.

Program Provided in Partnership With

City Council, City Manager, Economic Vitality Department, other City departments

Program Customers

City Council, City Manager, Economic Vitality Department

Priority Category

Mission Critical

City Council Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources for the FY 2003/04 Budget

General Fund Support	\$279,288
----------------------	-----------

Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	178,531	178,531	192,292
Contractual Services	-	93,090	208,641	78,196
Commodities	-	8,496	8,496	8,800
Total Program Budget	-	\$280,117	\$395,668	\$279,288

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
# of employees supervised	4	7	8	8

Program/Service Outcomes: (based on goals and objectives)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Efficient budget management - Percentage Department budget for year comes in under approved budget	(2%)	(2%)	(1%)	(1%)

Program Staffing

1 Full-time	ADMIN SECRETARY	1.00
1 Full-time	GM ECONOMIC VITALITY	1.00
Total Program FTE		2.00

Prior Year Highlights

Effectively managed budget so that Economic Vitality came in under budget last fiscal year.

Effectively managed people resources to accomplish key goals while remaining 20-30% below approved staffing levels.

Program Description

The Economic Development program is responsible for enhancing the economic well-being and quality of life of the community and its residents by providing quality, useful information and responsive, effective services to targeted employers and industries, and revenue generators interested in building or expanding in Scottsdale.

Trends

The key indicators of performance for Economic Development are indirect measures such as targeted job creation and revenue enhancement. Economic Development can only assist in this process, as the private sector must actually perform in order to achieve these goals.

Program Broad Goals

Expand and maintain significant sales tax revenue generators for the City through the enhancement of retail sales-based businesses.

Market and recruit targeted employers and support entrepreneurs and existing businesses in order to provide sustainable employment opportunities in Scottsdale while assuring that new employer's pay scales accommodates working and living in Scottsdale and continue Scottsdale's history as a net importer of jobs.

Provide high quality, accessible market information on the Scottsdale market and Scottsdale development initiatives.

Program 2003/04 Objectives

Market, recruit and encourage development of new retail facilities that augment and diversify the range of shopping opportunities for citizens and visitors. Work with the owners and developers of the Scottsdale Rd./Loop 101 development, and with the State Land Department on viable retail vision for Core South.

Focus attraction efforts on smaller to mid-sized companies that generate high wages, and provide minimal negative community impacts. Work with Chamber and GPEC on the recruitment of direct and appropriate support businesses for targeted industries.

Work with the technology related organizations on the development and promotion of technology, biotechnology base and associated telecommunications infrastructure in Scottsdale.

Regularly update and post economic, retail, demographic, and tourism related information via the City's Internet and in print.

Program Provided in Partnership With

City Council, City Manager, other City departments, Chamber of Commerce, Greater Phoenix Economic Council (GPEC), Arizona Land Department, Arizona Department of Commerce

Program Customers

City Council, City Manager, other City departments, existing and prospective businesses, other economic development and governmental agencies, general public

Priority Category

Mission Critical

City Council Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

Geographic/Economic software

Resources for the FY 2003/04 Budget

General Fund Support	\$279,082
----------------------	-----------

Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	83,675	146,006	161,837
Contractual Services	-	123,800	123,800	115,603
Commodities	-	648	648	1,642
Total Program Budget	-	\$208,123	\$270,454	\$279,082

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Targeted job creation	10 companies with 1,305 jobs created	17 companies with 1,716 jobs created	Estimate is 15 companies with 1,500 jobs created	Estimate is 15 companies with 1,500 jobs created
Continue to foster revenue enhancement which will be measured by the increase of sales tax revenue annually	5.0% plus	-2.0%	0.0%	2.0% plus

Program/Service Outcomes: (based on goals and objectives)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Targeted job creation	10 companies with 1,305 jobs created	17 companies with 1,716 jobs created	Estimated 15 companies with 1,500 jobs created	Estimated 15 companies with 1,500 jobs created
Increase in annual sales tax revenue	5.0% plus projected	-2.0% projected	0.0%	2.0% plus

Program Staffing

1 Full-time	ECONOMIC VITALITY MGR	1.00
1 Full-time	ECONOMIC VITALITY SPEC	1.00
Total Program FTE		2.00

Prior Year Highlights

Expand and maintain significant sales tax revenue generators for the City through the enhancement of retail sales-based businesses. Over the past 10 years, Economic Development has assisted in the attraction of numerous retail revenue generators (i.e., car dealers, Fashion Square Mall, the Promenade) which currently generate over \$50 million annually in City tax revenues.

Market and recruit targeted employers and support entrepreneurs and existing businesses, in order to provide sustainable employment opportunities in Scottsdale. Assure that new employer's pay scale accommodates working and living in Scottsdale. Continue Scottsdale's history as a net importer of jobs. Over the past 10 years, Economic Development has assisted in the attraction of over 100 new targeted businesses who collectively employ over 20,000 people. In Fiscal Year 2001/02, Economic Development assisted in locating 17 targeted businesses, employing 1,716 people.

Provide high quality, accessible market information on the Scottsdale market and Scottsdale development initiatives. The Economic Development Division regularly updates and publishes numerous studies and data reports (both in written and electronic formats). These include Economic Trends; Retail Trends; Demographic Trends; and a Community Profile.

Program Description

The Hospitality Development program is responsible for the economic well-being and quality of life of the community and its residents by strengthening the local tourism industry through a comprehensive tourism development program of tourism research, marketing and promotion, support of special events, and the development of destination attractions and tourism infrastructure.

Trends

Negative impact on local tourism related to the events of September 11, 2001 and the national recession. Over the next year, the three major new resorts just outside of Scottsdale will continue to impact the Scottsdale hotel market.

Program Broad Goals

Special events are one of Scottsdale's most important tourism marketing tools. Events such as the Phoenix Open, the Barrett Jackson Auto Auction, the Scottsdale Arabian Horse Show, and the Fiesta Bowl not only attract significant numbers of visitors to the areas, but also provide valuable exposure to potential visitors through their media coverage.

The development of new destination attractions that are in keeping with the character of the community, and which are consistent with the industry's major "drivers" or theme (golf, western, art/culture, culinary, and participatory sports) to help broaden the market, and provide additional reasons for visitors to choose Scottsdale as their destination.

Work with the Scottsdale Convention and Visitors Bureau to find ways to maximize the limited bed-tax dollars available for destination marketing to attract our targeted visitor.

Program 2003/04 Objectives

To facilitate the development of at least one new destination attraction such as an expanded Taliesin West Visitor Center.

To revamp the City's event promotional support program to better reflect current trends and needs.

To find ways to better explain the value of the tourism industry to the community.

Program Provided in Partnership With

City Council, City Manager, other City departments, Scottsdale Convention & Visitor's Bureau, Tourism Development Commission

Program Customers

City Council, City Manager, other City departments, the Scottsdale Convention & Visitor's Bureau, local tourism industry

Priority Category

Mission Critical

City Council Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

none

Resources for the FY 2003/04 Budget

General Fund Program Fees/Charges	4,400,000
General Fund Support	1,081,340
Total Program Budget	\$5,481,340

Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	93,598	69,598	101,898
Contractual Services	-	5,444,134	5,449,134	5,379,442
Total Program Budget	-	\$5,537,732	\$5,518,732	\$5,481,340

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Bed tax receipts and the annual percentage change	9% plus	-13%	1% plus	3% plus
Scottsdale hotel/motel average occupancy rate	64%	59.5%	55%	57.5%

Program/Service Outcomes: (based on goals and objectives)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Negative impact on the local tourism industry due to the events of September 11, 2001 and the national recession. Over the next year, the opening of three major new resorts just outside of Scottsdale will continue to depress the industry.	9% plus	-13%	1% plus	3% plus
Scottsdale hotel/motel average occupancy rate	64%	59.5%	55%	57.5%

Program Staffing

1 Full-time TOURISM MGR	1.00
Total Program FTE	1.00

Prior Year Highlights

Successfully managed the transition of the City's tourism marketing contract from the Chamber of Commerce to the Scottsdale Convention & Visitor's Bureau.

Strongly supported the community's tourism industry through a broad-based tourism development program including marketing, research, event promotion and creation of new destination attractions.

Program Description

The Revitalization program is responsible for enhancing the economic well-being and quality of life of Scottsdale by encouraging continued reinvestment in the mature areas of the community in both commercial and residential properties through private entities and/or private/public partnerships.

Trends

While there are sections of the mature portion of Scottsdale that do need assistance, much of this area remains stable and is seeing new investment. The housing appreciation rate in South Scottsdale is one of the highest in the Valley, and significant new capital investment is occurring in the residential and commercial sectors.

Program Broad Goals

To provide information and support to private sector entities interested in investing in existing facilities, where such projects enhance the revitalization of the mature areas of Scottsdale.

To encourage private development of new commercial uses and residential communities on vacant or obsolete properties in our mature areas of Scottsdale that will support the surrounding business community.

Working within the Redevelopment Areas of Scottsdale, act as the Project Manager to bring to fruition key public projects of all sizes that can effect perception and investment in those sections of the community.

Program 2003/04 Objectives

Negotiate a development agreement with the successful Smitty's site RFP respondent, which will need to start of construction by 2004.

Develop a strategy and begin implementation of an infill housing program in order to facilitate construction of new housing opportunities on key infill sites.

Move forward on the implementation of key revitalization strategies such as the McDowell streetscape improvements, and downtown parking.

Program Provided in Partnership With

Other City departments, private sector

Program Customers

City Council, City Manager, other City departments, existing and potential businesses, property owners

Priority Category

Mission Critical

City Council Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources for the FY 2003/04 Budget

General Fund Support \$344,789

Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	163,803	163,803	172,286
Contractual Services	-	133,134	183,134	170,855
Commodities	-	648	648	1,648
Total Program Budget	-	\$297,585	\$347,585	\$344,789

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
# of major development agreements prepared	0	1	2	3
# of other redevelopment projects assistance provided to	5	10	12	15

Program/Service Outcomes: (based on goals and objectives)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Dollar value of new construction South of Chaparral Road	\$32 million	\$36 million	\$50 million	\$100 million
Housing appreciation rates (ASU Study)	7.1%	7.0%	7.8%	7.5%

Program Staffing

1 Full-time	ECONOMIC VITALITY MGR	1.00
1 Full-time	ECONOMIC VITALITY SPEC	1.00
Total Program FTE		2.00

Prior Year Highlights

City acquired former Smitty's site, prepared conceptual development plan based on extensive community input, and began process to develop the site.

Developed new overall strategy for downtown revitalization and began implementation of key initiatives (canal bank, public parking, improved business climate).

Reauthorized the Downtown enhanced Municipal Services District, including a new contract with a professional advertising agency.

EXISTING BUSINESS SERVICES

Economic Vitality Department

Program Description

The Existing Business Services program is responsible for enhancing the economic well-being and quality of life of the community and its residents by assisting in the retention and/or expansion of the existing business base, preserving employment, maintaining, expanding, and diversifying the tax base, and reinforcing the positive economic environment of Scottsdale.

Trends

Existing businesses create about 90% of all new jobs in the community and provide significant tax revenues to the City. Therefore, finding ways to support and enhance existing businesses is a critical part of creating long-term economic sustainability.

Program Broad Goals

Develop an understanding of short and long-term issues affecting small and large companies and act on those issues for the mutual benefit of the community and businesses.

Create and maintain a business information database for existing Scottsdale businesses that can be used for research, trend analysis, business community composition and other efforts concerning the existing business community in Scottsdale.

Develop strategies and projects to deal with issues that require significant time and resources to resolve. Focus on Enhanced Reinvestment Areas without excluding other business areas of the City in order to stimulate public and private investment in a coordinated manner.

Program 2003/04 Objectives

Organized an "Enhanced Reinvestment in Business Neighborhoods" (RBN) Program to coordinate and target public and private resources towards the reinvestment in key business districts.

Create an online database for small businesses covering key topics of interest for small business owners.

Develop a program to help finalize physical improvements to older commercial buildings.

Program Provided in Partnership With

Other City departments, private sector, Chamber of Commerce

Program Customers

City Council, City Manager, other City departments, existing businesses in Scottsdale

Priority Category

Mission Critical

City Council Broad Goal(s)

Economy

Basic Equipment

Computers, telephones, general office equipment

Special Equipment

None

Resources for the FY 2003/04 Budget

General Fund Support \$129,495

Expenditures by Type

	Actual 2001/02	Adopted 2002/03	Estimate 2002/03	Adopted 2003/04
Personal Services	-	148,777	86,446	95,005
Contractual Services	-	57,736	75,356	33,065
Commodities	-	649	649	1,425
Total Program Budget	-	\$207,162	\$162,451	\$129,495

EXISTING BUSINESS SERVICES

Economic Vitality Department

Performance Measures

Program/Service Outputs: (goods, services, units produced)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
Active sales tax licenses	15,881	16,364	16,682	17,000
Active business occupation professional	3,157	3,262	3,405	3,500
Active home occupation	3,554	3,468	2,488*	2,550
# of jobs in Scottsdale	126,918	129,000	132,000	135,000

Program/Service Outcomes: (based on goals and objectives)

	Actual FY 2000/01	Actual FY 2001/02	Estimated FY 2002/03	Projected FY 2003/04
# of visits with existing businesses	0	50	100	150
# of businesses assisted by City to make building improvements	0	0	5	10

*Reflects record clean-up

Program Staffing

1 Full-time ECONOMIC VITALITY MGR	1.00
Total Program FTE	1.00

Prior Year Highlights

Established new business services office, including hiring staff, developing programs, and initiating implementation of key activities.

Met with over 100 existing business representatives to discuss issues facing the business community.

Began small business workshops and training sessions on key small business topics, such as how to do business with the City.

